

- 1. On September 3, 2002 (the "Petition Date"), the CF Debtors filed petitions for relief under chapter 11 of Title 11 of the United States Code, §§ 101 et seq. (the "Bankruptcy Code") and on February 3, 2003, the LLC Debtors filed petitions for relief under chapter 11 of the Bankruptcy Code.
- 2. Movant desires to file a complaint (the "Action") against certain of the Debtors in the Hennepin County District Court, Minnesota (the "Non-Bankruptcy Forum"), for, among other things, an accident that occurred on December 4, 2001.
- 3. Movant is unable to file the Action because of section 362(a) of the Bankruptcy Code (the "Automatic Stay").
- 4. On or about January 6, 2004, Movant requested that the Debtors enter into this Stipulation to grant Movant limited relief from the automatic stay to allow Movant to file the Action and to allow the Action to proceed so that Movant may recover against any applicable insurance carriers of the Debtors, if any, state agencies or similar sources for insurance or similar proceeds for payment of any judgment rendered in regards to, or any settlement reached with respect to, the Action.
- 5. The Debtors and Movant desire to enter into this Stipulation in order to avoid the costs of proceedings regarding the Action in this Court and in the Non-Bankruptcy Forum. The Debtors believe that the terms of this Stipulation are in the best interests of all parties, including the Debtors, their creditors and their estates.
- 6. The Debtors are authorized under that certain Order Authorizing the
 Debtors to Enter into Stipulations Modifying Automatic Stay and Compromising Certain Claims

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Consolidated Freightways Corporation, Redwood Systems, Inc., CF Airfreight Corporation, Leland James Service Corporation and CF MovesU.com Incorporated (together with CFCD, collectively, the "CF Debtors") and CFCD 2002 LLC, CFCD 2002A LLC, CFCD 2002 Member LLC and CFCD 2002A Member LLC (collectively, the "LLC Debtors" and together with the CF Debtors, the "Debtors").

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Pursuant to the Compromise Order, the Debtors have served this 7. 3

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Stipulation on the Official Committee of Creditors holding Unsecured Claims appointed in these Cases, General Electric Capital Corporation and the United States Trustee, but none of these parties submitted an objection to the Stipulation timely. Pursuant to the Compromise Order, the Stipulation will be fully effective 8. upon entry of an order of the Court approving the Stipulation.

WHEREFORE, in consideration of the foregoing, the Debtors, in their capacity as debtors and debtors-in-possession, and Movant, by and through their respective counsel, hereby stipulate and agree as follows:

The Debtors agree to limited relief from the automatic stay being granted in favor of Movant (i) to allow Movant to file the Action and to allow the Action to proceed to a decision in the Non-Bankruptcy Forum and judgment to be rendered thereon and (ii) in the event that Movant is the prevailing party in connection with the Action, to allow Movant to pursue any applicable insurance carriers of the Debtors, state agencies or similar sources for payment of any judgment rendered in regards to, or any settlement reached with respect to, the Action, so long as Movant does not seek recovery from any of the Debtors' estates;

In the event a judgment in the Action is rendered in Movant's favor or a B. settlement is reached with respect to the Action, Movant shall seek satisfaction of such judgment or payment of any amounts awarded to Movant in such settlement solely from applicable insurance, if any, state agencies or similar sources. Movant, on behalf of herself and her heirs, representatives and assigns, does hereby expressly waive and release any right she has or might assert to recover from the Debtors and their estates, and their respective heirs, successors, assigns, affiliates, officers, directors and employees, their estates or their assets (other than any of the Debtors' applicable insurance policies) any portion of such judgment or settlement amount or any other amount or expense arising from or related to the Action or the claims asserted therein;

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C. Any proof of claim filed by Movant in these Cases is hereby deemed to be				
withdrawn without further order of the Court and the Debtors' claims agent is hereby authorized				
and directed to remove any such proof of claim from the Debtors' claims register; provided,				
however, that the withdrawal of such proof of claim shall not prejudice Movant's ability to				
collect her claim from any applicable insurance carrier, if any, state agencies or similar sources;				
D. The agreement by the Debtors to the modification of the Automatic Stay				

- on the terms and conditions set forth herein shall not be deemed an agreement by the Debtors to provide assistance to or to cooperate with Movant in any way in the efforts of Movant to prosecute the Action or secure payment in satisfaction of a judgment in Movant's favor or payment of any amounts awarded Movant in satisfaction of a settlement in relation to the Action from any applicable insurance carrier, if any, state agencies or similar sources. The Debtors shall not be subject to onerous discovery requests or demands or incur unreasonable expenses related thereto or otherwise in the Action. This Court shall have exclusive jurisdiction over all disputes between the Debtors and Movant arising from or relating to this Stipulation and from the Debtors' involvement in the Action, including, but not limited to, any disputes regarding discovery requests or demands;
- Nothing contained herein shall be deemed an admission of liability on the E. part of the Debtors with respect to any claim asserted in the Action;
- Nothing in this Stipulation shall be deemed to waive any defense or claim F. by any party to this Stipulation, except as specifically provided herein; and

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1	G. This	Supulation will be effective infinediately upon approximally		
2	Dated: January 7, 2004	LATHAM & WATKINS LLP		
4	<u>,</u> ,			
5		By Sup		
6		Gregory A. Sager Counsel for CF Debtors and Debtors-in-		
7		Possession and [Proposed] Counsel for LLC Debtors and Debtors-in-Possession		
8				
9	Dated: January, 2004	LAW OFFICE OF JAMES E. BETZ		
10		By		
11		By		
12		Anoka, Minnesota 55303 Attorney for Movant		
13 14				
15	IT IS SO ORDERED.			
16	Dated:	, 2003		
17		The Honorable Mitchel R. Goldberg		
18		United States Bankruptcy Judge		
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LATHAM WATK ATTORNEYS AT LA LOS ANGELES

1	G. This Stipulation will be effective immediately upon approval by this
2	Court.
3	Dated: January, 2004 LATHAM & WATKINS LLP
4	
5	By
6	Gregory A. Sager Counsel for CF Debtors and Debtors-in-
7	Possession and [Proposed] Counsel for LLC Debtors and Debtors-in-Possession
8	
9	Dated: January Z , 2004 LAW OFFICE OF JAMES E. BETZ
10	Mars 6 Pt
11	Fames E. Betz
12	2140 4th Avenue North Anoka, Minnesota 55303
13	Attorney for Movant
14	
15	IT IS SO ORDERED.
16	Dated: <u>JAN 2 1 2004</u> , 2003
17	The Honorable Mitchel R. Goldberg
18	United States Bankruptcy Judge
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KINSW LAW	EA\[]\$5372.1 5

Case 6:02-bk-24284-WJ Doc 2788-1 Filed 01/21/04 Entered 01/22/04 00:00:00 Desc Main Document Page 7 of 12

In re	Case No. RS 02-24284- MG
CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, a Delaware corporation, et al.,	Chapter 11 (Laintle Administered with Case Nos
Debtor. Fed. Tax I.D. No. 94-1444797	(Jointly Administered with Case Nos. RS-02-24289-MG; RS-02-24287-MG; RS-02-24293-MG; RS-02-24294-MG; RS-02-24295-MG; RS-03-11603-MG, RS-03-11608-MG, RS-03-11610-MG, and RS-03-11615-MG)

NOTICE OF ENTRY OF JUDGMENT OR ORDER AND CERTIFICATE OF MAILING

TO ALL PARTIES IN INTEREST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021, that a judgment or order entitled, "ORDER APPROVING STIPULATION WITH C. MILLER FOR LIMITED RELIEF FROM AUTOMATIC STAY," was entered on __JAN 2 2 2004 _.

2. I hereby certify that I mailed a copy of this Notice of Entry and a true copy of the order or judgment to the noticing agent for service to the persons and entities on the attached service list on JAN 2 2 2004.

Dated: <u>JAN 2 2 2004</u>

JON D. CERETTO Clerk of the Bankruptcy Court

By: Kanon E. Jinman
Deputy Clerk

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PROOF OF SERVICE

Street, Suite 4000, Los Angeles, California 90071. On January 21, 2004, I caused the foregoing

party to the within action. My business address is Latham & Watkins LLP, 633 West Fifth

STIPULATION WITH C. MILLER FOR LIMITED RELIEF FROM AUTOMATIC

I am a resident of the State of California, over the age of eighteen years, and not a

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Watkins LLP for collecting, processing, and transmitting facsimiles, which

practice is that when a facsimile is deposited with the Latham & Watkins LLP personnel responsible for facsimiles, such facsimile is transmitted that same day

in the ordinary course of business. The facsimile of the above document(s) was

accordance with the office practice of Latham & Watkins LLP for collecting and

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STAY; [PROPOSED] ORDER THEREON

I caused such envelope to be delivered by Federal Express or Hand Delivery to the offices of the addressee(s). See attached Service List.

I caused a pdf version of this document to be delivered via electronic mail to the attached Service List.

I declare under penalty of perjury that the above is true and correct.

Executed on January 21, 2004, at Los Angeles, California.

Colleen Greenwood

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